

Land Use Comprehensive Plan Task Force

3/14/2007: Rice Street Library meeting room

Meeting Notes by Andrew Jacobson

Members Present: Gladys Morton (acting chair), Bob Cudahy, Kevin Flynn, Lori Fritts, Monte Hilleman, Keith Jans, Lorrie Louder, Dick Nowlin, Jeff Ochs, David Stokes and Dede Wolfson.

Members Absent: Rich Kramer (chair), Gloria Bogen, Tim Griffin, Ed Johnson, Eric Mitchell and Chuck Repke.

Staff: Penny Simison, Andrew Jacobson, Larry Soderholm, matt Smith, Amy Filice, Dave Gontarek and Marie Franchett.

Resource people: Bill Buth from BOMA; Tina Hoyer from Nelson, Tietz and Hoyer, Inc.; and Rachel Hillman from DEED.

1. **Welcome** by Gladys Morton. The members, staff and guests introduced themselves.
2. **Introduction.** Penny Simison went through the information prepared for the meeting. She stressed that the task force was being asked to understand trends and issues so as to help Saint Paul set broad policies.
3. **Trends in the job market projected by DEED:**
 - The addition of 250,000 new jobs for the Twin Cities region between 2002 and 2012.
 - The largest growth in employment will come from the health care industry and, secondly, the professional and technical services.
 - The occupations that are the fastest growing require some post-secondary training (health care, IT). Slow or no growth occupations include manufacturing.
 - Smaller industries have moved to suburbs; large multinational companies have outsourced to other countries.
4. **Office employment**
 - Central Corridor (CC)
 - Most of the new businesses in the CC will be smaller businesses, non-profits, etc. These employers will generally be moving to University Ave. from other corridors within the Twin Cities as well as from the suburbs.
 - CC has a challenging mix of old and new buildings.
 - CC will be challenged to become a safe “neighborhood;” if this can be accomplished, the CC can attract significant new investment and businesses.
 - Light rail transit (LRT) stations have a strong positive influence on businesses within ¼ mile and a moderate influence within ½ mile.

Therefore positive influences from LRT stops will occur all along the corridor if stations are set apart one mile (as currently planned for CC).

- LRT alone cannot dramatically uplift the private market.
- Midway area buildings are still functional; there are not many obsolete buildings.
- Downtown Saint Paul
 - Downtown Saint Paul is not expected to lose jobs to University Ave. The large employers in Saint Paul will not be attracted by the smaller office sizes of the CC area.
 - Saint Paul is currently at a 13% vacancy rate for all types of office space; the market is considered full at or below 12%. Class B has 25% vacancy.
 - Saint Paul should welcome health care expansion and do aggressive infilling of nearby market space for health care-related businesses.
 - Saint Paul office space is a good value because it is \$2 to \$2.50 cheaper per square foot than comparable space in Minneapolis.
 - The educational attainment of employees in downtown is high.
 - Older, historical downtown buildings may be less functional for some employers because they have smaller floor plates.
- Factors Influencing Leasability (handout from Tina Hoyer)
 - The top three factors are image, parking availability and if the new location is “close” to the old location. Access and safety were mentioned in the discussion.
 - Generally speaking, employers stay within a single type of office space when moving from one space to another (i.e. a health care employer will not move into a space vacated by a restaurant).
 - Class A office buildings have larger floor plans and are more functional.
 - Office buildings should have neat, attractive exteriors.
 - There is a trend towards bigger floor plans for a majority of companies.
 - Retrofitting buildings is not always cosmetic, it may require expensive upgrades.

5. **Redevelopment corridors**

- Corridors
 - Work remains to be done on the corridors from the last land use plan.
 - Smaller brownfield (less than 10 acres) sites still remain to be developed.
 - There were mixed opinions on whether corridors are still valuable tools and locations.
 - Midway and Pierce Butler can and should have more redevelopment.
- Who works where
 - Only 30% of Saint Paul residents work within Saint Paul.
 - The Saint Paul workforce lives all over the 11 county metro area.
 - Should we care who works in Saint Paul and where Saint Paulites work?
 - Hiring criteria (requiring that a percentage be hired from a given area) can be onerous but also useful.

- Industrial land
 - Industrial land should be preserved so as to preserve the job base for the city.
 - There are several factors influencing the conversion of industrial land to different land uses (location along riverfront, large and flexible site etc.)
 - The City should try to preserve industrial land against market force conversions. To what extent and for how long?
- What the new land use plan should contain:
 - Saint Paul can capitalize on the new job growth by remaining flexible; do not look for too specific of uses.
 - Continuance of the Strategic Investment Fund from the last LU plan.
 - Efforts must be made to preserve industrial land including large sites.
- General comments
 - Ideally, a site should have a 35% built ratio in order to include room for storm water pond, truck access and loading docks.
 - Skill and pay level are important factors beyond simply considering how many jobs are created at or by a site.
 - It was noted that a small minority in the Legislature want to change tax rules to tax land instead of taxing the land and the improvements made to it: Bill Buth questioned its effects and thinks the rule change will be generally negative.

6. Questions to be pursued:

- How much industrial land has Saint Paul lost? What has it been converted to? Where have the industries gone?
- Recommendation from the Port Authority and others on specific areas to be redeveloped.
- Update map of focus areas for redevelopment (to include Hwy 280 area).

Meeting ended at approximately 7:00 pm.